

We had a software issue that was not bringing in the short-tail line information.



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

Scottsdale Insurance Company

NAIC Group Code	0140 (Current)	0140 (Prior)	NAIC Company Code	41297	Employer's ID Number	31-1024978
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States of America					
Incorporated/Organized	01/04/1982			Commenced Business 07/01/1982		
Statutory Home Office	One West Nationwide Blvd. (Street and Number)			Columbus , OH, US 43215-2220 (City or Town, State, Country and Zip Code)		
Main Administrative Office	8877 N. Gainey Center Drive (Street and Number)					
	Scottsdale , AZ, US 85258-2108 (City or Town, State, Country and Zip Code)			480-365-4000 (Area Code) (Telephone Number)		
Mail Address	One West Nationwide Blvd., 1-04-701 (Street and Number or P.O. Box)			Columbus , OH, US 43215-2220 (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	One West Nationwide Blvd., 1-04-701 (Street and Number)					
	Columbus , OH, US 43215-2220 (City or Town, State, Country and Zip Code)			614-249-1545 (Area Code) (Telephone Number)		
Internet Website Address	www.scottsdaleins.com					
Statutory Statement Contact	Monda S. Caudill (Name)			614-249-1545 (Area Code) (Telephone Number)		
	FinRpt@nationwide.com (E-mail Address)			866-315-1430 (FAX Number)		

OFFICERS

President & COO	Michael Dean Miller	VP & Treasurer	Michael Patrick Leach
VP & Secretary	Robert William Horner III		

OTHER

Pamela Ann Biesecker	Sr VP-Head of Taxation	John Edward Goodloe	Sr VP-Brokerage-Scottsdale	Craig Edward Landi	Sr VP-Underwriting
Gary Lynn Tiepelman	Sr VP-Underwriting	Andrew Dawnly Walker	# Sr VP-IT Fin & Hd of Sourcing		

DIRECTORS OR TRUSTEES

Michael Patrick Leach	Kenneth Ari Levine #	Michael Dean Miller
Doreen Katherine Reinke	Gary Lynn Tiepelman	

State of Ohio
County of Franklin SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Dean Miller President & COO	Robert William Horner III VP & Secretary	Michael Patrick Leach VP & Treasurer
Subscribed and sworn to before me this		
day of January, 2014		
a. Is this an original filing? Yes [] No [X]		
b. If no,		
1. State the amendment number.....3		
2. Date filed04/28/2014		
3. Number of pages attached..... 2		

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE SCOTTSDALE INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2013	2 2012	3 2011	4 2010	5 2009
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,844,242,501	1,610,700,431	1,592,172,746	1,456,589,457	1,469,903,677
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	754,086,564	633,694,585	399,866,047	367,821,234	379,957,817
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	796,878,068	703,794,444	632,159,259	570,290,909	553,752,201
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	35,562,729	50,340,210	59,202,845	49,430,288	41,435,829
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	(9,935)	(11)	51	2,874	1,235
6. Total (Line 35)	3,430,759,927	2,998,529,659	2,683,400,948	2,444,134,762	2,445,050,759
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	306,955,650	264,457,716	250,785,278	252,019,507	260,611,059
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	159,618,088	144,116,758	138,556,881	139,999,087	144,028,994
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	232,348,855	182,230,526	172,258,722	169,242,486	170,426,334
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	8,174,237	8,103,240	10,830,620	10,311,202	8,621,597
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	(9,935)	(11)	51	2,874	1,235
12. Total (Line 35)	707,086,895	598,908,229	572,431,552	571,575,156	583,689,219
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(12,309,910)	(42,597,650)	(62,328,299)	(6,194,967)	(23,336,035)
14. Net investment gain or (loss) (Line 11)	35,510,789	34,321,803	39,118,800	38,300,554	48,464,951
15. Total other income (Line 15)	4,808,857	5,235,177	6,583,786	6,706,494	5,524,188
16. Dividends to policyholders (Line 17)	475,406	323,150	306,958	260,432	210,372
17. Federal and foreign income taxes incurred (Line 19)	11,339,111	(1,071,772)	(5,347,897)	8,258,205	2,650,239
18. Net income (Line 20)	16,195,219	(2,292,048)	(11,584,774)	30,293,444	27,792,493
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,133,326,158	1,879,518,242	1,747,475,296	1,765,129,712	1,771,529,394
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	453,365,276	383,150,590	166,745,426	298,126,940	317,101,535
20.2 Deferred and not yet due (Line 15.2)	109,821,565	92,933,194	89,769,118	80,682,820	85,034,596
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,416,961,463	1,209,319,530	1,068,706,404	1,110,008,302	1,161,360,445
22. Losses (Page 3, Line 1)	379,084,069	313,878,539	310,802,977	323,903,492	337,795,727
23. Loss adjustment expenses (Page 3, Line 3)	87,337,625	67,770,398	66,904,127	67,844,578	71,380,783
24. Unearned premiums (Page 3, Line 9)	275,005,566	235,253,350	224,670,185	221,431,823	227,373,527
25. Capital paid up (Page 3, Lines 30 & 31)	6,027,200	6,027,200	6,027,200	6,027,200	6,027,200
26. Surplus as regards policyholders (Page 3, Line 37)	716,364,695	670,198,712	678,768,892	655,121,410	610,168,949
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	161,608,252	(101,181,460)	26,098,581	14,394,580	21,707,117
Risk-Based Capital Analysis					
28. Total adjusted capital	716,364,695	670,198,712	678,768,892	655,121,410	610,137,125
29. Authorized control level risk-based capital	104,418,478	93,349,894	89,339,905	68,547,959	68,539,028
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	83.9	75.0	79.3	76.3	83.4
31. Stocks (Lines 2.1 & 2.2)	18.0	19.6	17.8	16.8	15.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.2	0.2	0.3	0.3	0.3
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	(2.2)	5.0	1.3	6.6	0.5
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)				0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.1	0.1	1.3	0.0	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	237,058,885	229,514,580	199,775,817	199,088,351	188,966,939
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	237,058,885	229,514,580	199,775,817	199,088,351	188,966,939
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	33.1	34.2	29.4	30.4	31.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2013	2 2012	3 2011	4 2010	5 2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	9,385,630	31,822,141	6,356,175	11,824,608	31,851,678
52. Dividends to stockholders (Line 35)		(45,000,000)			
53. Change in surplus as regards policyholders for the year (Line 38)	46,165,983	(8,570,180)	23,647,482	44,952,461	91,301,990
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	697,405,356	726,025,265	838,480,198	773,449,985	738,140,312
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	382,620,225	334,137,926	202,363,716	178,252,167	183,495,525
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	364,352,591	359,688,933	363,660,026	277,843,180	273,840,959
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	25,255,105	43,535,705	46,768,060	47,046,596	46,460,892
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	407,575			497,504	466,660
59. Total (Line 35)	1,470,040,852	1,463,387,829	1,451,272,000	1,277,089,432	1,242,404,348
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	126,596,843	151,501,313	151,338,821	149,629,583	152,556,678
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	87,547,348	84,834,003	86,276,449	78,478,818	81,702,786
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	87,440,457	112,668,580	141,006,327	108,447,435	113,584,064
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	5,342,760	5,896,452	7,961,593	8,459,667	6,804,490
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	407,575			497,504	466,660
65. Total (Line 35)	307,334,983	354,900,348	386,583,190	345,513,007	355,114,678
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	55.8	60.8	65.6	57.4	60.8
68. Loss expenses incurred (Line 3)	10.4	11.1	11.3	10.3	10.6
69. Other underwriting expenses incurred (Line 4)	35.7	35.3	34.0	33.3	32.6
70. Net underwriting gain (loss) (Line 8)	(1.8)	(7.2)	(11.0)	(1.1)	(3.9)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	33.0	33.8	32.7	32.5	32.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	66.2	71.9	76.9	67.8	71.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	98.7	89.4	84.3	87.2	95.7
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(6,346)	(7,483)	(16,663)	(21,636)	(5,437)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	(0.9)	(1.1)	(2.5)	(3.5)	(1.0)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(11,851)	(24,928)	(32,878)	(15,682)	(5,124)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(1.7)	(3.8)	(5.4)	(3.0)	(1.0)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain: